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Spotlight

ON FOREIGN MARKETING

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TO FAS MARKET DEVELOPMENT COOPERATORS AND AGRICULTURAL ATTACHES

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CURRENT SERIAL RECORDS

U.S. FOOD MANUFACTURERS ATTEND EXPORT CONFERENCE

Top personnel of eighteen U.S. food manufacturing firms attended a two-day meeting in Washington March 18-19 to discuss ways of increasing cash exports of U.S. processed food products.

The meeting was sponsored jointly by FAS and the Grocery Manufacturers of America.

The meeting was keyed by Assistant Secretary George L. Mehren, who pointed out that there are many sectors with potentially large sales which are virtually untouched markets for U.S. processed foods.

He said that in general processed foods that sell well in this country appear to gain acceptance in Europe, although there is a necessity to adjust to some differences in preferences, custom, and taste. He pledged Department cooperation in helping locate market opportunities and prospects.

Other principal speakers were Kenneth D. Gott, editor, Business International, on European economic conditions; Jere Patterson, marketing consultant, on marketing techniques in Europe; Robert C. Gardner, Life Magazine International, on business opportunities in Europe; Edward D. Ryan,



Eighteen U.S. food manufacturers were represented at the March 18-19 export conference in Washington, D.C. Shown (left to right) are Richard Frank, president, Lawry's Foods, Inc.; Kenneth K. Krogh, assistant administrator, FAS; George L. Mehren, assistant secretary, USDA; and Bill Henry, director of sales, Durkee Famous Foods, Inc.

Ernst & Ernst, on financial problems in doing business in Europe; Basil Winstead, Safeway Stores, on retailing differences between Europe and the U.S.; and James O. Peckham, Sr., A. C. Nielsen Co., on marketing opportunities and pitfalls in Europe.

The meeting closed with a workshop session on aids available to U.S. food manufacturers through USDA's export promotion program, particularly trade fair and trade center exhibits and in-store promotions.

AGRICULTURE HELPING BALANCE OF PAYMENTS

"American agriculture, through its export earnings, is today doing more than any other segment of the Nation to hold back the critical outflow of dollars," stated Secretary Freeman, March 15, in testimony before the Senate Committee on Agriculture and Forestry.

"This contribution by American agriculture," the Secretary said, "is relatively new. In the early 1960's there was an unfavorable balance in our commercial agricultural trade. Our country's expenditures for agricultural imports were larger than the earnings from agricultural export sales for dollars. At that time non-agricultural exports -- machine tools, airplanes, chemicals, and hundreds of other industrial items -- were carrying the load in our balance of trade.

"In the past two years, however, this situation has been sharply reversed.

"In 1966 our country's nonagricultural sector had a trade deficit of \$470 million; our agricultural sector had a net commercial trade plus of \$982 million.

"In 1967, our nonagricultural trade had a deficit of \$300 million; our agricultural trade had a plus of \$585 million."

U.S. EXHIBITION IN TOKYO CREATING TRADE IMPACT

The U.S. Food and Agricultural Exhibition in Tokyo is creating a definite trade impact with a good representation of Japanese consumers, trade and government officials.

U.S. officials attending the opening ceremonies, April 5, included Secretary of Agriculture, Orville L. Freeman, Ambassador U. Alexis Johnson, Congressman W. R. Poage of Texas, governors of 13 States and territories, and leaders of three national farm organizations.

In opening the exhibition, Secretary Freeman emphasized the desire of the United States to sell "food and agricultural products that are especially important to the new Japan, the products that help to provide vitality and energy and growth." Such products from American farms, he said, are "offered in exchange for the many industrial products that Japan offers us."

Exhibitors were pleased with the excellent trade attendance and sales contacts. Many Japanese consumers attended the show. About 18,000 were present April 14. The crowds were friendly, orderly and inquisitive with big lines and traffic jams whenever samples were offered.

The 17-day exhibition had four major features:

- (1) A "theme" area which through sight and sound created a dramatic representation of the USA, its farms, its people, its products.
- (2) A commodity area with 17 different promotional stands -- wheat, peaches, prunes, rice, citrus fruits, leather, raisins, tallow, soybeans, poultry, cattle breeds, feed grains, livestock, tobacco, and forest products.
- (3) The Hall of States, a large colorful area devoted to individual exhibits by the 12 participating States -- Colorado, Illinois, Iowa, Maryland, Michigan, Minnesota, Missis-



Japanese Food Agency official Tsutomu Shigeta and cereal chemist Shigeru Sugiyama with Wheat Associates Director James Hutchinson and Agricultural Attache Elmer Hallowell before departure from Tokyo for training programs in the U.S. Shigeta will be studying the U.S. grain marketing system. Sugiyama will be at the Doty Laboratory in Kansas City for technical training in flour milling and baking of wheat products.

issippi, Nebraska, North Carolina, North Dakota, Pennsylvania, and Wisconsin.

- (4) The commercial "hard sell" area where 61 American food and agricultural firms, or their Japanese associates, purchased space and set up promotional booths, complete with samples, literature, and order books.

Another major feature was a self-service market. Not as large as many U.S. supermarkets but larger than most in Japan, and stocked with more than 2,000 typical U.S. grocery store items.

A daily entertainment program featured regional American themes and style shows for cotton, leather and paper products. A touch of Americana was provided by an American Onondaga

Indian chief -- Chief Sunrays Making a Patch Through the Snow.

During the exhibition, the largest of its kind ever presented in the Far East, special sales promotions of American foods were being held at leading food and department stores in Tokyo, Osaka, Kyoto, and Kobe.

W. C. LODWICK AND CLAYTON E. WHIPPLE

Two market development leaders, W. G. (Bill) Lodwick, 75, and Clayton Whipple, 64, died on successive days the first week of March.

Bill Lodwick was a consultant to the Millers' National Federation and the first chairman of the Committee of Washington cooperators. He was administrator of FAS from 1954 to 1955 and agricultural attache in Mexico City and Madrid from 1955 to 1962. His previous service includes assignments as agricultural consultant to the U.S. military high command in Germany, agricultural member of the Joint Brazil-U.S. Economic Commission, and agricultural advisor to the Government of Pakistan. He died at Georgetown University Hospital in Washington, March 7, after a long illness from a heart condition.

Clayton Whipple, agricultural attache in Brussels since 1962, died unexpectedly, March 6, while attending the attache conference in Madrid. He was agricultural attache in Rome from 1957 to 1962 and deputy administrator of FAS from 1953 to 1957. He was previously director of the Food and Agriculture Division of the Point 4 Program, a consultant to the Near East Foundation, and an agricultural vocation instructor in New York State.

QUARTER HORSES FOR EXPORT

Quarter Horses (the fastest horse for 1/4 mile) are racing into market development.

Sixteen U.S. Quarter Horses were recently sold to Gary Player, the famous golfer from South Africa. Gary plans to develop a Quarter Horse farm in South Africa with the U.S. Quarter Horses as the foundation of his herd.

Harry Varney, our agricultural attache in South Africa, reports that Gary Player is very happy with his purchase and indicates plans are underway for additional purchases in the near future.

Meanwhile, exports of Quarter Horses are developing to other areas as this general purpose ranch and pleasure horse becomes better known to equestrians throughout the world. Promotions for the breed are handled by the American Quarter Horse Association, a national organization reputed to have the largest membership of any U.S. livestock association. FAS is cooperating with the association under its global livestock market development project.

COTTON SALES MISSION

A Cotton sales team was in Western Europe, March 22-April 10, as part of the continuing drive to expand exports for American farm products. The team visited the United Kingdom, West Germany, Netherlands, Italy, and France.

In announcing the cotton sales team, Secretary Freeman said:

"Members of the cotton mission will be taking a new hard look at our



"Story Bar," one of the 16 U.S. Quarter Horses sold to South African golf pro Gary Player. Gary is at the left and looking on is M. de W. Marsh, general manager of the firm that shipped the horses to South Africa.

export problems in a leading export market area which accounts for about one-third of total U.S. cotton exports.

"Throughout the postwar years, U.S. cotton has been facing increasing competition in Europe from cotton grown in other countries and from the various manmade fibers.

"Through this sales mission approach, we intend to take a new fresh inventory of export sales problems we face, learn more about our customers' interests and our competition, and reaffirm our ability and intention to sell actively in these markets."

Members of the European cotton sales team were:

Grover C. Chappell, staff economist of the Secretary's office, team leader; J. H. Stevenson, FAS; Robert Pugh, Portland, Arkansas, president of Cotton Council International, and Robert Smith, Shafter, California, producer representative, Quinton B. Perry, Greenwood, Mississippi, cooperative representative; and Rice Ober, Los Angeles, California, president, American Cotton Shippers Association, exporter representative.

ITEMS OF INTEREST

How To Get Started In Exports--A \$204 Billion Market, Dun & Bradstreet Business Series No. 5, 92 pages (paperback), \$.95. A readable, well-written export manual for the beginning exporter. Write: Business Education Division, Dun & Bradstreet, 1290 Avenue of the Americas, New York, New York, 10019.

The World Agricultural Situation--Review of 1967 and Outlook for 1968, Economic Research Service, U.S. Department of Agriculture, Washington, D.C., 20250. The report analyzes the significant increase in food production in the less developed countries, effects of the record production of food grains and other major world crops, and prospects in some of the leading markets for U.S. agricultural products.



HERE and THERE

The Departments of Agriculture and Commerce are working on plans for greater joint participation in promotion activities overseas. Trade fair exhibits, U.S. trade center programs, trade missions, America Weeks, seminars, conferences and surveys are among the activities under consideration. As in previous joint promotions, food and agricultural products would be handled by FAS and allied industrial products by the Department of Commerce.

Bill Horbaly, formerly agricultural attache in Moscow and most recently South Asia Program Coordinator, Food for Peace Program Development Division was recently honored by being selected as a member of the 1967-68 Senior Seminar in Foreign Policy. The program is limited to an honor group of about 25 senior officials. As part of his 10-month advanced training program, Bill is conducting an evaluation of the 1966 Upper Midwest Conference on Agricultural Trade.

A two-mile-long train of Iowa corn, the longest grain train ever assembled in the U.S., recently arrived in the Port of Houston en route to Amsterdam and the European market. The record shipment developed out of a reduction in freight rates for grain shipments from the Midwest to Gulf Coast ports.

1,460 head of American Rambouillet sheep are being delivered by plane to India. The animals have a CIF value of about \$337,000 and represent the largest shipment of U.S. sheep ever transported by air for export. The first plane load, March 24, started out with about 370 sheep but increased considerably when 40 ewes lambed en route. The sheep are being purchased under an AID loan. Arrangements for the shipment were worked out by the FAS Livestock and Meat Products Division staff in cooperation with the India Supply Mission and American Rambouillet Association.

Peanut Week will be celebrated in the United Kingdom the first week of October. The campaign will be under the joint sponsorship of the recently formed British Peanut Council and the National Peanut Council. In-store promotions and newspaper and TV coverage is planned. Cecil Dalton, a member of the Board of Directors of the British Peanut Council, was in the U.S. last month, to attend the National Peanut Council Convention in Williamsburg, Virginia to work out plans for Peanut Week and other promotional plans in the U.K.

Dairy Society International teams were in Europe, the Middle East and Latin America last month assessing the advisability of market development under present world conditions. The members of the European team were Burdette L. Fisher, general manager, Kyana Milk Producers, Inc., Louisville, Kentucky; Carl E. Zurborg, general manager, Mississippi Valley Milk Producers Association, Inc., Moline, Illinois; and Frank W. White, director, The Advertising Council, and consultant to FAS. The Latin American team was composed of Everett H. Andreson, director of customer relations, General Mills; and James L. Reeves, DSI Board Member, Springfield, Missouri.

Plans to expand wheat export markets were outlined to wheat-state Senators and Congressmen at the second Congressional Breakfast in Washington, D.C., March 20. The breakfast was sponsored by Great Plains Wheat, Western Wheat Associates, and the National Association of Wheat Growers.

Kenneth Nuernberg, Livestock and Meat Products Division, accompanied Maurice Gallois and Claude Salomon, president and member of the French Wholesale Offals (variety meats) Syndicate, on a U.S. visit to suppliers of beef offals. Within the next few months the Syndicate plans to begin purchasing about 100 tons per month of U.S. beef offals.

The Rice Council had a major in-store promotion, March 25-30, with the EDEKA food chain in West Germany. Thirty thousand stores participated.

Charles Pence, President, and Glenn Weir, Member of the Board, Great Plains Wheat, left April 17 on a 4-week trip to survey market development opportunities in Africa, Tunisia, Morocco, Nigeria, South Africa, Kenya, and Sudan.

Dick Bell, most recently agricultural attache in Dublin, has been appointed chief of the foreign marketing branch, FAS Grain and Feed Division. Dick's spot in Dublin has been taken by *Gene Ransom*, a veteran attache with recent experience in the International Agricultural Development Service.

Twelve European canning company officials recently spent two weeks in Michigan as guests of the Michigan Bean Commission and the Michigan Bean Shippers Association. They were shown technical aspects of bean preparation at Michigan State University, commercial canning techniques, advertising, marketing and promotional procedures at all levels of food selling.

John Van der Have, export manager, Northrup King & Co., recently returned from a visit to Yugoslavia and Greece in behalf of the American Seed Trade Association. Some market opportunities were found in each of the two countries.

Ken Christiansen, chairman of the American Seed Trade Association International Committee, will be attending the OECD Herbage Seed Scheme annual meeting in Paris, May 26-29. Ken will be representing the International Seed Federation.

65,000 enthusiastic Italians crowded the U.S. livestock and feedgrains exhibit on the opening day of the 70th International Agricultural Exhibition in Verona, Italy, March 10. High quality U.S. Holstein and Angus breeding animals were exhibited and sold at the exhibition. Swine and rabbits from several U.S. areas also attracted considerable interest.

U.K. produce dealers bought 250,000 sacks of Texas Bermuda-type onions at the fresh fruit and vegetable exhibition in the London Trade Center, March 6-14. Other items purchased included Texas garlic, chinese cabbage and Kinnows (an exotic mandarin orange). A large sale of Arizona head lettuce and a trial shipment of Florida sweet corn are expected as a result of interest created at the show.

Twelve U.S. livestock breed associations are cooperating with FAS in an exhibition at a livestock educational pavilion at the Mexican National Livestock Show, April 19-28.

The Feria del Campo fair in Madrid, Spain, May 22-June 23 will include a U.S. livestock and feedgrains exhibit. Paul Findlen is manager of the exhibit and Jack Spaven of the Vermont Extension Service is the Information Officer.

The Institute of American Poultry Industries Tokyo Office was awarded a trophy by the Japan Advertisers Association for an ad placed in "Fujin Korun," one of Japan's leading women's magazines. Headed "Best Way to Purchase U.S. Broiler," the ad was judged one of the outstanding food ads of the year on the basis of its benefit to Japanese consumers. The award-winning advertisement was one of 1,332 newspaper and magazine ads entered in the contest.

The Sandwich Shindig Movie, which was produced as part of the National Bread Promotion Campaign in the Philippines, is doing well at the box office. Since the beginning of the year, it has played in over 50 theaters around the country.

Clinton L. Brooke, formerly with FAS and now a consultant for AID in India, is working with Indian bakers on bread enrichment. Clint was one of the speakers at a series of baking seminars in Bombay, Madras, Calcutta and New Delhi sponsored by Wheat Associates. Over 200 commercial bakers attended the sessions.

Discount retail food merchandising is becoming popular in Switzerland. About 20 discount stores for foodstuffs are now in operation. Price reductions of 20-40 percent are being offered for many high volume, indigenous processed foods.

James L. Hutchinson, Far East Director, Wheat Associates, was featured in the Personality Profile column of the February 18 Japan Times. In commenting on Jim's work over the past 10 years, the newspaper stated, "Hutchinson, as director of the non-profit organization Wheat Associates, has not only seen but contributed to the change in the story of Western Wheat in Japan."

Berk Beukenkamp, FAS, was in Michigan last month assisting the Marketing Division of the Michigan Department of Agriculture in the "follow-up" of 146 world trade opportunities developed by its representatives during recent FAS food exhibitions at Cologne and London. Berk met with various Michigan commodity, processing and marketing organizations having an interest in the export market.

Rabbits, according to Klaus Werner, U.S. Feed Grains Council director in Hamburg, are becoming big business in Germany. Within the last four years the German feed industry has increased the production of rabbit feed from 8,000 to 34,000 tons. Most of the rabbit feed ingredients are coming from the U.S.

A last minute supervisory change occurred at Tokyo when J. K. McClarren, Director, International Trade Fairs Division, replaced Elmer Winner as Director of the U.S. Food and Agricultural Exhibition. Elmer had to return to Missouri, due to the serious illness of his wife. On returning to Washington he assumed his new duties as Director of the Trade Projects Division.